

## Message Text

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ORIGIN EB-07

INFO OCT-01 EUR-12 IO-10 ISO-00 FEA-01 AGR-05 CEA-01

CIAE-00 COME-00 DODE-00 FRB-03 H-02 INR-07 INT-05

L-02 LAB-04 NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15

STR-04 TAR-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01

/102 R

DRAFTED BY EB/OT/TA:DGRMTMMFR:IV

APPROVED BY EB/OT/TA:WGBARRACLOUGH

STR:HWILLIAMS

USDA:WANAMAKER

----- 038535

R 231618Z MAY 75

FM SECSTATE WASHDC

TO AMEMBASSY OTTAWA

INFO USMISSION GENEVA

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E.O. 11652:N/A

TAGS: ETRD, GATT

SUBJECT: CANADIAN PROPOSED MODIFICATIONS OF IMPORT  
LICENSING ON CHEESE

1. ECONOMIC COUNSELLOR GHERSON PRESENTED AN AIDE MEMOIRE  
TO DEPUTY ASSISTANT SECRETARY GLITMAN MAY 19, WHICH OUTLINES  
GOC INTENTION TO MODIFY ITS IMPORT LICENSING SYSTEM ON  
CHEESE (BTN 04.04) WHICH IS CURRENTLY SUBJECT TO DISCRETION-  
ARY LICENSING UNDER THE CANADIAN EXPORT AND IMPORT  
PERMITS ACT. THE PROPOSED MODIFICATIONS WOULD ESTABLISH  
A NON-DISCRIMINATORY QUOTA OF 50 MILLION POUNDS FOR  
CY 1975 WITHOUT DISTINCTION AS TO CHEESE VARIETIES OR  
USES. ACCORDING TO THE AIDE MEMOIRE, 48 MILLION POUNDS  
OF CHEESE WAS IMPORTED INTO CANADA IN CY 1974 (US ACCOUNTED  
FOR APPROXIMATELY 2.8 MILLION). LICENSES WILL BE ISSUED

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TO TRADITIONAL CHEESE IMPORTING FIRMS ON AN INDIVIDUAL

BASIS BASED ON A RECENT REPRESENTATIVE PERIOD. HOWEVER, WITHIN THE FRAMEWORK OF THE QUOTA, THE GOC INTENDS TO ALLOW NORMAL MARKET FACTORS, SUCH AS QUALITY, PRICE AND DELIVERY TERMS, DETERMINE ORIGIN OF SUPPLY. THERE WILL ALSO BE PROVISION FOR NEW ENTRANTS AND NEW VARIETIES.

2. THE GOC IS TAKING THIS ACTION "AS A MEANS TO SIMPLIFYING EXISTING REGULATIONS" AND TO SUPPORT THE CANADIAN DOMESTIC SUPPLY MANAGEMENT PROGRAM FOR MANUFACTURING MILK BY LIMITING THE IMPORTATION OF THIS PRODUCT IN CHEESE FORM. THE GOC STATES THE QUOTA SYSTEM WILL BE CONSISTENT WITH ARTICLE XI

OF GATT. IN RESPONSE TO CANADIAN EMBASSY REQUEST TO HAVE AN EARLY US REACTION TO THE PROPOSAL, WE OUTLINED IN A LETTER TO GHERSON QUESTIONS ON WHICH WE WOULD NEED CLARIFICATION BEFORE WE COULD DETERMINE THE IMPACT OF THE MEASURES ON US TRADE. COPIES OF THE LETTER AND AIDE MEMOIRE ARE BEING POUCHED.

3. EMBASSY IS REQUESTED TO REPORT ON DEVELOPMENTS OF GOC PROPOSAL, PARTICULARLY ON TIMETABLE FOR ADOPTION. WE UNDERSTAND THAT THE INTENTION IS TO BEGIN IMPLEMENTATION IN JUNE. INGERSOLL

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## Message Attributes

**Automatic Decaptioning:** X  
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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CHEESE, AIDE MEMOIRE, IMPORT LICENSES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 23 MAY 1975  
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**Disposition Approved on Date:**  
**Disposition Authority:** ElyME  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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